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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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SECURITY INFORMATION

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(FOR KEY SEE REVERSE)

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1. Effective 1 July 1953, the Zentrallaboratorium fuer Fernmeldewesen (Central Laboratory for Telecommunication Engineering) (ZLF), which was formerly attached to the RFT Fernmeldewerk Treptow, was scheduled to be transferred to the RFT Main Administration, according to an order of the Ministry for General Machine Construction to combine and subordinate all research plants to the appropriate Main Administration. Plants to be placed under ZLF on 1 July included the development sections of Fernmeldewerk Treptow and Fernmeldewerk Zittau; Geraetewerk Radebeul; and the telecommunication engineering section of the Berlin branch of Werk HF on Neue Bahnhofstrasse in East Berlin. Also planned was the transfer to Leipzig of the telegraphy department of ZLF, which was mainly working on VP orders. This department, which had closely cooperated with Fernmeldewerk Leipzig, was an organization within the ZLF which maintained its own contacts with BFW, through the manager of the works, by couriers. Up to mid-May, no suitable rooms could be found for the ZLF which had been considerably increased by the new organization.
2. Effective 1 July 1953, RFT VEB Signalbau Berlin was placed under the control of RFT Fernmeldewerk Treptow, to insure the profitable operation of the works after the transfer of the very profitable ZLF. Fernmeldewerk Treptow was scheduled to be renamed RFT Signalbau und Fernmeldewerk, Berlin-Treptow, following this reorganization.
3. A total of 30,000, 50,000, and 50,000 eastmarks had been scheduled respectively for a lamp switchboard suggested by the Deutsche Volkspolizei Main Administration of the Ministry of the Interior. Since the amount scheduled for 1953 had been spent by June, ZLF, at the suggestion of the VP Main Administration, requested the Zentralamt fuer Forschung und Technik (ZAFT) (Central Board for Research and Technology) to advance funds scheduled for 1954 and, on 10 June 1953, received an affirmative answer over the telephone. On 11 June 1953, however, Polizeirat Buehring (fhu), of the VP Main Administration, telephoned that all development orders placed by the VP be cancelled, pending

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further directives, since the industries were to concentrate on the production of consumer goods. The manager of ZLF expressed satisfaction with this decision by the Politbuero, even if losses might result.¹ Since the production of the lamp switchboard had already started, the cancellation of the order affected the Fernmeldewerke in Leipzig, Arnstadt, and Treptow.

4. In a meeting of the department managers held on 25 June, the manager of the works discussed the effects on the ZLF of the last decisions by the Cabinet Council. He ordered that, effective immediately, all research orders, including telegraphed ones, be handled as classified material, and that index figures be used in letters and talks. He added that the research orders with index figures K 3 - 1302, K 3 - 1310, K 3 - 13-15 and K 3 - 1320, which had been executed almost exclusively for VP purposes, had been withdrawn.² He ordered that, together with information on the development stage reached, the expenses be determined and reported to the Ministry for General Machine Construction, and that the costs for the completion of order K 3 - 1306, which had been almost finished, be established. He said that all funds made available by cancellations would be at the disposal of the Ministry for General Machine Construction. The meeting of the department managers also ordered three officials of the works management to submit a resolution to the Cabinet Council to obtain a quick decision on the final organization of ZLF.³ It was stated that all proposals forwarded to the Cabinet Council had so far remained unanswered.

25X1A1. [redacted] Comment: Information on cancellation of armament orders in East Germany was contained in a previous report. According to information on 15 July, the cancellation of research orders dated 11 June 1953 was withdrawn on 2 July. This would confirm the report that some of the decisions announced in early June 1953 on the cancellation of armament orders in East Germany were made with no regard to the interconnection of the plan economy. Further information on the development must therefore be awaited.

25X1A2. [redacted] Comment: A total of 570,000 eastmarks had been scheduled for VP research orders in 1953.

25X1A3. [redacted] Comment: The present organization of ZLF is as follows:

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| Director: | Rossignol, Fritz |
| Commercial Director: | Schroeter |
| Telegraphy Division: Head: | Ing. Beyer |
| Magnetic Laboratory: Head: | Dr. Froehlich |
| Relay Construction Laboratory: Head: | Ing. Busse |
| Mining Division: Head: | Ing. Summ |
| Ships' Telephone Division: Head: | Ing. Bosdorf |
| Material Supply Division: | |
| Personnel (Cadre) Division: Head: | Franke |
| Investment (Finance) Division: | |

Subordinate to the ZLF is the Arnstadt branch in Fernmeldewerk Andstadt:

Commercial Directors: Ing. Bartsch and Ing. Nageler.
The branch works on development tasks received from ZLF.

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